



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: December 15, 2014

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Item: Massey's Chapel

Executive Summary. A request for utility extension agreement (EA), voluntary annexation, and initial zoning has been received from Massey's Chapel United Methodist Church for two contiguous parcels located off of Fayetteville Road.

The contiguous annexation (Case BDG1400009) represents an extension of the existing City limit and would create a connection to a satellite annexation located to the south of the subject site. A place of worship presently exists on the subject site. No expansions to the use are proposed.

Staff recommends an initial zoning of Residential Rural Falls of the Neuse/Jordan Lake Protected Area-B (RR, F/J-B), which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. The subject site is presently zoned RR.

The proposed development has submitted an extension agreement for approval by City Council. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham sanitary sewers and water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of water and sanitary sewer services to the site. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will generate a net loss upon annexation. This is a common scenario for tax-exempt land uses such as places of worship.

One motion, with three components, is required by law to approve the utility extension agreement, voluntary annexation petition, and zoning map change.

Recommendation. That the Council approves the utility extension agreement, voluntary annexation, and initial zoning.

Issues and Analysis. This request involves three separate items: a utility extension agreement, voluntary annexation petition, and an initial zoning.

Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject properties with an effective date of December 31, 2014. The public hearing for Case BDG1400009 will be held in compliance with N.C. General Statute 160A-31.

Initial Zoning

State Statutes (General Statute 160A-360) require that a municipality annexing land place its zoning designation on the property within 60 days of the effective date of the annexation. Staff is recommending an initial zoning designation of Residential Rural Falls of the Neuse/Jordan Lake Protected Area-B (RR, F/J-B), which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot.

Utility Impacts. Water service shall be provided by connecting a water service to the 16-inch waterline in Fayetteville Road. Sewer service shall be provided by connecting a sanitary sewer service to the existing 18-inch sanitary sewer located in Fayetteville Road. Water Management and Public Works are not requesting major infrastructure improvements at this time.

Financial Impact. The gas and electric franchise tax has been eliminated and replaced with a state sales tax that is to be shared with cities. Due to these tax reform changes the calculation related to sales tax projections for the purpose of this exercise has been updated. Previously, cost-benefit impacts calculated sales tax based on prior year-end actuals with a cost inflator of two-percent. Since historical information is not yet available, cost-benefit impacts for FY15 will use the Adopted sales tax amount for calculation purposes. Once the first year has been collected, the calculation will return to using the prior year-end actual with an inflator.

The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at project completion in FY2014-15 is \$175. The estimated annual General Fund expenditures associated with providing City services at project completion is \$1,383. The estimated annual General Fund net loss to the City at completion is \$1,208. The cumulative estimated net loss to the City at completion is \$1,285. Please note this project is not proposed to generate any property or sales tax because it is an established place of worship. In addition, no impact fees will be collected for this annexation because the building is already constructed.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2023-24, including CIP expenses.

The chart below contains additional details regarding projected departmental revenue and expense projections.

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	Inspection and permit fees totaling \$75-\$175 each year	One-time payment debt service payment to Parkwood Volunteer Fire Department totaling \$77
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	No impact fee revenue will be received because there is no new construction associated with this request	No additional expenses are anticipated
Parks & Recreation	No revenues anticipated	No additional expenses are projected
Planning	No revenues anticipated	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$1,383.
Public Works	No additional revenues are anticipated	No additional expenses are anticipated
Solid Waste	No additional revenues are anticipated	No additional expenses are anticipated
Transportation	No additional revenues are anticipated	No additional expenses are anticipated
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Water and Sewer rates will cover the cost to provide service.

Alternatives. The Council could elect to deny voluntary annexation petition, and EA. No action would be required or authorized on the initial zoning

SDBE Summary. This item has no known SDBE impact.

Attachments

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Utility Map
- Attachment 4: Cost/Benefit Analysis
- Attachment 5: Utility Life Cycle Costs
- Attachment 6: Clerk Certification
- Attachment 7: Utility Extension Agreement
- Attachment 8: Planning Commission Resolution
- Attachment 9: BDG1400009 Annexation Ordinance
- Attachment 10: Initial Zoning Ordinance
- Attachment 11: Consistency Statement